



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
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DAVID E. JANSSEN
Chief Administrative Officer

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Fifth District

June 17, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENT NO. 5 TO LEASE NO. 51870
DEPARTMENT OF HEALTH SERVICES
511-515 EAST 6TH STREET, LOS ANGELES
(SECOND) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chairman to sign the attached Amendment No. 5 to extend the term of Lease No. 51870 for a five-year period for the continued occupancy of 18,512 rentable square feet for the Department of Health Services (DHS) at 511-515 East 6th Street, Los Angeles, at an initial annual rent of \$422,073.
2. Find that this lease Amendment No. 5 is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.
3. Authorize the CAO and DHS to implement the project. The five-year extension in Amendment No. 5 to Lease No. 51870 will commence July 1, 2003 upon approval by your Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of this proposed Amendment No. 5 to Lease No. 51870, will allow DHS, through its contracts with the Volunteers of America (VOA) and the John Wesley Community Health Institute (JWCH) to continue to provide alcohol and drug treatment, as well as primary health care services to "Skid Row" residents. Additionally, an Early Intervention Clinic is conducted weekly for the diagnosis and treatment of people with the AIDS virus. These programs have been at this site since 1987. The Alcohol and Drug Treatment Program has a contract with the VOA through June 2005 which DHS anticipates will be renewed. Although the programs may be located anywhere in the "Skid Row" area of downtown Los Angeles, the spaces at the Weingart Center were refurbished to allow for co-location at this site. The high cost of renovating new clinical space at a different location makes relocating these programs unfeasible. As a result, no site search was performed.

The County originally occupied 22,264 rentable square feet but reduced the leased area to 18,512 rentable square feet of clinic and office space in this facility when the Department of Mental Health vacated in November 2000. Your Board's approval will enable DHS to maintain existing programs at this location.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we improve the workplace environment in order to enhance quality and productivity (Goal 2, Strategy 2) and that we strengthen the County's fiscal capacity (Goal 4). In this case, we have consolidated multiple departmental functions and are housing subvented programs in leased space, in accordance with the Strategic Asset Management Principles, as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The annual lease cost for the subject facility will initially be \$422,073. Annual rent will be increased based on negotiated fixed increases to a maximum \$452,376, during the fifth year of the amended lease term.

511-515 E, 6th St.	EXISTING LEASE	AMENDED LEASE	CHANGES
Area (Square feet)	18,512	18,512	None
Term	Month-to-Month (since 11/23/2002)	7/1/03-6/30/08	5 years
Maximum 1 st yr Rent	\$411,148 (22.21/sq.ft.)	\$422,073(\$20.80/sq.ft.)	+\$10,925
Parking Included in Rent	82 off-street spaces	82 off-street spaces	None
Cancellation	30 days notice	Anytime on 90 days notice	+ 60 days notice
Option to Renew	None	one (5-year) option	one (5-year) option
Rental Adjustment	Annual CPI with a Cap of 4%	No CPI Adjustments Annual fixed increases: Yr. 2 Rent \$426,294 Yr. 3 Rent \$432,689 Yr. 4 Rent \$441,342 Yr. 5 Rent \$452,376	+1.0% +1.5% +2.0% +2.5%

The rent under the amended lease will be subject to annual fixed increases beginning at the second year and increasing each year through the fifth year of the term as shown in the above chart.

The Honorable Board of Supervisors
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Sufficient appropriation has been included in the Proposed DHS Operating Budget and Rent Expense Budget for fiscal year 2003-04.

The lease costs for the ninth floor (\$237,302 annually) is 100 percent offset by State and Federal funding. The lease cost for the first floor (\$184,771 annually) is a net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County has occupied the facility since 1987 and is presently occupying 18,512 rentable square feet of clinic, office and living space on a month-to-month holdover since November 2002. The VOA occupies 10,408 square feet on the ninth floor. It provides 24-hour halfway housing services with nursing care and counseling services to alcohol and drug clients. This site has a capacity to house 48 residents at any given time and provide treatment for all who request services.

The LAC+USC Healthcare Network occupies the 8,104 rentable square feet on the first floor from which JWCH operates a primary care clinic. The JWCH has a Public-Private Partnership (PPP) with DHS to treat an average of 1,800 patients per month.

The proposed Amendment No. 5 to Lease No. 51870 provides 18,512 rentable square feet of clinic and office space and 82 off-street parking spaces.

The amended lease contains the following provisions:

- \$ Five-year lease renewal and the new base rent during the first year is \$422,073.
- \$ The lease continues on a full-service basis. The Landlord is responsible for all operating and maintenance costs.

- \$ The Landlord will provide 82 parking spaces included in the rental rate which is sufficient to meet the parking needs of the staff.
- \$ A cancellation provision remains in the lease, allowing the County to cancel the lease anytime with 90 days prior written notice. Additionally, the County has one five-year option to renew.

CAO Real Estate staff surveyed the program's service area to determine the market rate of comparable sites. Based upon said survey, staff has established that the base rental range including parking for similar property is between \$24.00 and \$28.00 per square foot per year full-service gross. Thus, the base annual rent of \$22.80 per square foot for the base lease cost is below the market range. Attachment B shows County-owned and leased facilities within the search area for these programs and none are available to house these programs.

The Department of Public Works has inspected this facility and finds it suitable for the County's continued occupancy.

The proposed leased premises have no additional space available to house a child care center. However, there are two private child care centers available for County employees within a three-mile radius of the subject location.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The CAO has made an initial study of environmental factors and has concluded that this project is exempt from CEQA as specified in Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is the finding of the CAO that the proposed Amendment No. 5 to Lease No. 51870 is in the best interest of the County and will allow DHS to continue two important services to "Skid Row" residents. DHS concurs with this recommendation.

The Honorable Board of Supervisors
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CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return two originals of the executed Amendment No. 5 to Lease No. 51870, two certified copies of the Minute Order and the adopted, stamped Board letter to the Chief Administrative Office, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:CWW
TJS:hd

Attachments (4)

c: County Counsel
Auditor-Controller
Health Services

511-515E6th.b

DEPARTMENT OF CHILDREN AND FAMILY SERVICES
511-515 EAST 6th STREET, LOS ANGELES

Asset Management Principles Compliance Form ¹

	Occupancy	Yes	No	N/A
A	Does lease consolidate administrative functions? ²			X
B	Does lease co-locate with other functions to better serve clients? ²	X		
C	Does this lease centralize business support functions? ²			X
D	Does this lease meet the guideline of 200 sq ft of space per person? ² Ratio 1:463sf staff 1st floor is clinic space and the 9th floor alcohol and drug program houses up to 48 residents receiving recovery services, both require space above the guideline.		X	
2.	<u>Capital</u>			
A	Should program be in leased space to maximize State/Federal funding?	X		
B	If not, is this a long term County program?			X
C	Is it a net County cost (NCC) program? The lease cost for the 9th floor (\$237,292 annually) is 100% offset by State and Federal funding. The lease cost for the 1st floor (\$184,763 annually) is a net County cost.	X		
D	If yes to 2 B or C; capital lease or operating lease with an option?		X	
E	If no, are there any suitable County-owned facilities available?		X	
F	If yes, why is lease being recommended over occupancy in County-owned space?			X
G	Is Building Description Report attached as Attachment B?	X		
H	Was build-to-suit or capital project considered? The space has been refurbished to allow for co-location of the programs at this site. A build-to-suit is not economically feasible.		X	
3.	<u>Portfolio Management</u>			
A	Did department utilize CAO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?			X
D	Why was this program not co-located?			
	1. ___ The program clientele requires a "stand alone" facility.			
	2. ___ No suitable County occupied properties in project area.			
	3. ___ No County-owned facilities available for the project.			
	4. ___ Could not get City clearance or approval.			
	5. X The Program is being co-located.			
E	Is lease a full service lease? ²	X		
F	Has growth projection been considered in space request? The DHS co-location is functional at the refurbished and existing size.	X		
G	Has the Dept. of Public Works completed seismic review/approval?	X		
	¹ As approved by the Board of Supervisors 11/17/98			
	² If not, why not?			

ONE MILE RADIUS OF SKID ROW AREA OF LOS ANGELES

LACO	FACILITY NAME	ADDRESS	SQ FT GROSS	SQ. FT NET		SQ. FT. AVAIL.
0155	STANLEY MOSK COURTHOUSE	111 N HILL ST, LOS ANGELES 90012	794,459	441,761	OWNED	NONE
0181	KENNETH HAHN HALL OF ADMINISTRATION	500 W TEMPLE ST, LOS ANGELES 90012-2713	958,090	591,457	FINANCED	NONE
A496	PUBLIC DEFENDER-L.A. LAW CENTER BUILDING	207 S BROADWAY, LOS ANGELES 90012	7,100	6,750	LEASED	NONE
A429	CAO-REAL ESTATE DIVISION/ SERVICE INTEGRATION	222 S HILL ST (KAWADA BUILDING), LOS ANGELES	1,100	1,078	LEASED	NONE
A442	MENTAL HEALTH-LAPD - SMART TEAM OFFICE	419 S SPRING ST, LOS ANGELES 90013	1,000	1,000	GRATIS USE	NONE
A529	MENTAL HEALTH-DOWNTOWN MENTAL HEALTH SERVICES	529 S MAPLE AVE, LOS ANGELES 90013	19,000	16,150	LEASED	NONE
3154	CLARA SHORTRIDGE FOLTZ CRIMINAL JUSTICE CENTR	210 W TEMPLE ST, LOS ANGELES 90012	1,036,283	399,535	FINANCED	NONE
0101	HALL OF JUSTICE (NOT HABITABLE)	211 W TEMPLE ST, LOS ANGELES 90012	570,811	306,487	OWNED	306487
0156	HALL OF RECORDS	320 W TEMPLE ST, LOS ANGELES 90012	438,095	259,523	OWNED	NONE
Y013	DPSS-CIVIC CENTER DISTRICT/GROW CENTER OFFICE	813 E 4TH PL, LOS ANGELES 90013	39,956	25,158	OWNED	NONE
A384	AG COMM/MTS & MEASURES DOWNTOWN MARKET OFFICE	1320 E OLYMPIC BLVD, LOS ANGELES 90021	776	776	LEASED	NONE

AMENDMENT NO. 5 TO LEASE NO. 51870

511-515 EAST 6th STREET, LOS ANGELES

DEPARTMENT OF HEALTH SERVICES

This Amendment No. 5 to Lease No. 51870 is made and entered into this _____ day of _____, 2003, by and between WEINGART CENTER ASSOCIATES, Inc, hereinafter referred to as "Lessor", and the COUNTY OF LOS ANGELES, a body politic and corporate, hereinafter referred to as "Lessee".

WHEREAS, the COUNTY OF LOS ANGELES, as Lessee, has entered into that certain Amendments and Novations to Lease and Agreement Nos. 40670, 50097 and 51870 dated October 6, 1987, and Amendment No. 2 dated November 24, 1992, and Amendment No.3 dated March 14, 1985, and Amendment No. 4 dated November 4, 1997, hereinafter referred to as "Lease", for approximately 27,386 rentable square feet of Office/Clinic space in a building located in a portion of the building at 511-515 East Sixth Street, Los Angeles, and,

WHEREAS, the parties agreed to a reduction of space Premises which now consists of approximately 18,512 rentable square feet of Office/Clinic space in a building located in a portion of the building at 511-515 East Sixth Street, Los Angeles, and,

WHEREAS, the parties are now desirous to amend said Lease No. 51870 to increase the term of the lease beyond the Termination Date for an additional term of five (5) years, commencing upon approval by the Board of Supervisors, County of Los Angeles, or July 1, 2003.

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and the rents, covenants and agreements herein contained, and intended to be legally bound, Lessor and Lessee hereby covenant and agree as follows:

1. Paragraph 2 TERM, of the Lease shall be amended by adding the following:

Notwithstanding the mutual holdover of the Lease, by Lessor and Lessee, through June 30, 2003, the term of the Lease is hereby extended five (5) years such that it shall expire on the last day of June 2008.

Paragraph 2B OPTION TO RENEW of the Lease is hereby amended by adding the following:

Provided Lessee is not in default, Lessee shall have the option to renew this Lease for five (5) years. During such option term, Lessee shall continue to pay the Monthly Base Rent as due hereunder, which Monthly Base Rent shall continue to be adjusted in accordance with the terms of Paragraph 24 of the Lease. In the event that Lessee desires to exercise any such option, Lessee shall deliver Lessor written notice of such exercise not less than 180 days prior to the Lease Expiration Date. The actual exercise of the option shall be only by the Board of Supervisors prior to the expiration of the lease term.

2. Paragraph 3. RENT, of the Lease is hereby amended by adding the following:

Prior to the New Term Commencement Date, and during the Holdover Period, Lessee shall continue to pay rent in the amount of \$34,262.40 as required pursuant to the terms of the Lease, and as adjusted in accordance with Paragraph 24 of the Lease upon the rental adjustment date as existing prior to this Amendment No. 5. Commencing upon the New Term Commencement Date, the rent payable with respect to the Premises shall be amended to be equal to Thirty-Five Thousand One Hundred Seventy-Two and 80/100 (\$35,172.80) per month, (i.e.; \$1.90 per square foot for the 18,512 square feet which make up the Premises). All rent payable under the Lease, as amended, is

payable in advance by Auditor's General Warrant within fifteen days after the first day of each and every month of the term hereof provided Lessor has caused a claim thereof for each such month to be filed with the Auditor of the County of Los Angeles prior to the first day of each month. Rent for any partial month shall be prorated in proportion to the number of days in each month.

3. Paragraph 7. HOLDOVER of the Lease is hereby deleted in its entirety and in its place shall be substituted the following :

In case Lessee holds over beyond the end of the term provided with the consent express or implied of Lessor, such tenancy shall be for two (2) months periods only, subject to the terms and conditions of this Lease, but shall not be a renewal hereof, and the rent shall be at the rate prevailing under the terms of this Lease. Either party may during the holdover cancel this Lease by giving the other party not less than sixty (60) days prior written notice.

4. Paragraph 17. NOTICES of the Lease is hereby deleted in its entirety and in its place shall be substituted the following:

Notices desired or required to be given by this Lease or by any law now or hereinafter in effect shall be given by enclosing the same in a sealed envelope with postage prepaid, certified or registered mail, return receipt requested, with the United States Postal Service.

Any such notice and the envelope containing the same shall be addressed to the Lessor as follows:

Weingart Center Association
566 S. San Pedro Street
Los Angeles, CA 90013
Attention: John F. King, Pres./CEO

or such other place as may hereinafter be designated in writing by the Lessor except that Lessor shall at all times maintain a mailing address in California.

The notices and envelopes containing the same shall be addressed to the Lessee as follows:

Board of Supervisors
Kenneth Hahn Hall of Administration, Room 383
500 West Temple Street
Los Angeles, CA 90012

with a copy to:
Chief Administrative Office, Real Estate Division
222 South Hill Street, 3rd Floor

Attention: Director of Real Estate
Los Angeles, CA 90012

5. Paragraph 19. INDEMNIFICATION AND INSURANCE REQUIREMENTS

is hereby amended, effective as of the New Term Commencement Date, as follows:

During the term of this Lease, the following indemnification and insurance requirements shall be in effect.

A. Indemnification
Lessor shall indemnify, defend and hold harmless Lessee, from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Lessor-s ownership, repair, maintenance and other acts and/or omissions arising from and/or relating to the Premises.

Lessee shall indemnify, defend and hold harmless Lessor, from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Lessee's use of the Premises.

B. Waiver

Both the Lessee and Lessor each agree to release the other and waive their rights of recovery against the other for damage to their respective property arising from perils insured in the Causes-of-Loss Special Form (ISO form CP 10 30).

C. General Insurance - Lessor Requirements

Without limiting Lessor's indemnification of Lessee and during the term of this Lease, Lessor shall provide and maintain the programs of insurance set forth in Paragraph 19, Insurance - Lessor Requirements. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by Lessee, and such coverage shall be provided and maintained at Lessor's own expense.

1. Evidence of Insurance.

Certificate(s) or other evidence of coverage satisfactory to Lessee shall be delivered to the Chief Administrative Office, Real Estate Division, 222 S. Hill Street, 4th floor, Los Angeles, CA 90012 Attn: Director of Real Estate upon execution of this Lease. Such certificates or other evidence shall:

Specifically identify this Lease. Clearly evidence all coverages required in this Lease.

- a. Contain the express condition that Lessee is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance.
- b. Include copies of the additional insured endorsement (ISO form CG 20 26) to the commercial general liability policy, adding the Lessee as an additional insured.
- c. Identify any deductibles or self-insured retentions exceeding \$25,000.

Failure to Maintain Coverage

Review of Insurance Requirements

The types of insurance and limits required under this Lease shall be reviewed annually by the Lessor or its representative. Coverage types and limits shall reflect the prevailing practice in the Los Angeles metropolitan area for insuring similar property and casualty risks. Insurance is to be provided by an insurance company with an A.M. Best rating of not less than **A:VII**, unless otherwise approved by Lessee.

Failure by Lessor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to Lessee shall constitute a material breach of the Lease and would constitute a default by Lessor. Alternatively, at its sole option, Lessee may purchase such required insurance coverage, and without further notice to Lessor, deduct any premium costs advanced by Lessee for such insurance from any rental payments next due to Lessor.

1. Insurance Coverage Types and Limits - Lessor Requirements:

General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate:	\$ 2 million
Products/Complete Operations Aggregate:	\$ 2 million
Personal and Advertising Injury:	\$ 1 million
Each Occurrence:	\$ 1 million

2. Commercial Property insurance Such insurance shall:

- a. Cover damage to Lessor's property, including improvements and betterments, from perils covered by the Causes-of-Loss Special Form (ISO form CP 10 30), and include Ordinance or Law coverage.
- b. Be written for the full replacement cost of the property, with a deductible of no greater than 5% of the property value. Insurance proceeds shall be payable to the Lessor and maybe payable to the Lessee as their interests may appear and be utilized for repair and restoration of the Premises. Failure by Lessor to use such insurance proceeds to timely repair and restore the Premises shall constitute a material breach of this Lease and would constitute a default by Lessor.
- c. Include a Waiver of Subrogation in favor of Lessee.

General Insurance - Lessee Requirements: During the term of this Lease, Lessee shall maintain a program of insurance coverage as described below. Lessee, at its sole option, shall use commercial insurance and/or self-insurance coverage or any combination thereof to satisfy these requirements. Certificate(s) evidencing coverage will be provided to Lessor after execution of this Lease at Lessor's request.

Insurance Coverage Types and Limits - Lessee Requirements:

General Liability

coverage (equivalent to ISO policy form CG 00 01) with limits of not less than the following:

General Aggregate:	\$ 2 million
Products/Completed Operations Aggregate:	\$ 1 million
Personal and Advertising Injury:	\$ 1 million
Each Occurrence:	\$ 1 million

Lessor shall be an Additional Insured (or its equivalent) with respect only to liability arising from Lessee's negligence in its use of the leased Premises.

6. Paragraph 23. GENERAL PROVISIONS of the Lease is hereby amended by adding the following:

O. Community Business Enterprise

Lessor is encouraged to use Community Business Enterprises (CBE) in all contracts when possible as sources for supplies, equipment, construction and services. This shall apply during any applicable tenant improvement construction, modular furniture installation and services to be provided during the lease term.

Lessor use reasonable efforts to submit evidence of CBE participation by providing completed copies of the Community Business Enterprise Firm Information, form attached hereto as Exhibit "B", at the time of signing this Lease and Agreement and thereafter on an annual basis on or before December 30th of each year of the term of this Agreement.

P. Lobbyists

Lessor and each County lobbyist or County lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by Lessor, shall fully comply with the County Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Lessor or any County lobbyist or County lobbying firm

retained by Lessor to fully comply with the County Lobbyist Ordinance shall constitute a material breach of this Agreement upon which County may immediately terminate or suspend this Lease and Agreement.

7. Paragraph 29. HAZARDOUS MATERIALS: of the Lease is hereby added as follows:

HAZARDOUS MATERIALS

Definition:

For purposes of this Agreement, the term "hazardous substances" shall be deemed to include hazardous, toxic or radioactive substances as defined in California Health and Safety Code Section 25316 as amended from time to time, or the same or a related defined term in any successor or companion statutes, and crude oil or byproducts of crude oil other than crude oil which exists on the property as a natural formation, and those chemicals and substances identified pursuant to Health and Safety Code Section 25249.8.

Lessor hereby warrants and represents, based upon appropriate and reasonable inspection of the Premises, that during its ownership of the Premises; hazardous substances have not been released on the Premises; that it has no knowledge of any release of hazardous substances on the Premises occurring before its ownership; that it has no knowledge or reason to believe that there are hazardous substances on the Premises; that Lessor shall comply with all federal, state and local laws and regulations concerning the use, release, storage and disposal of hazardous substances; and that Lessor shall require all other tenants, if any, of the subject property to comply with the aforementioned rules and regulation.

Lessee hereby warrants and represents that it shall comply with all federal, state and local laws and regulations concerning the use, release, storage and disposal of hazardous substances on the Premises.

Notice:

Lessor and Lessee agree to immediately notify each other when either party learns that hazardous substances have been released on the Premises or, if a multi-tenant property, on the subject property.

Indemnity

Lessor agrees to indemnify, defend and save Lessee, its agents, offices and employees from or against all liability, expenses (including defense costs, legal fees, and response costs imposed by law) and claims for damages of any nature whatsoever which arise out of the presence of hazardous substances on the Premises which has not been caused by Lessee.

Lessee agrees to indemnify, defend and save harmless Lessor from and against all liability, expenses (including defense costs, legal fees and response costs imposed by law) and claims for damages of any nature whatsoever which arise out of the presence of hazardous substances on the Premises caused by Lessee.

The indemnity provided each party by this provision shall survive the termination of this Lease.

Default

The presence or release of hazardous substances on the Premises and/or subject property, which is not caused by Lessee and which threatens the health and safety of Lessee's agents, officers, employees or invitees, as determined by Lessee's sole discretion, shall entitle Lessee to immediately terminate this Lease. In the event of such termination, Lessee shall not be obligated for any further rental and Lessor shall refund any unearned rent

paid in advance by Lessee calculated at a daily rate based on the regular monthly rental.

8. Paragraph 24. RENTAL ADJUSTMENTS of the Lease is hereby amended, effective as of the New Term Commencement Date, as follows:

The annual rental adjustments as set forth in this Paragraph 24 shall commence upon the anniversary of the New Term Commencement Date and shall be as follows.

2nd Year	\$35,524.53	4th Year	\$36,778.54
3rd Year	\$36,057.40	5th Year	\$37,698.01

Should the Lessee exercise its option for the additional five (5) year term the annual rental adjustments as set forth in this Paragraph 24 shall commence upon the anniversary of the New Term Commencement Date and shall be as follows.

6th Year	\$38,828.95	9 th Year	\$42,429.44
7th Year	\$39,993.82	10 th Year	\$43,702.32
8th Year	\$41,193.63		

9. Paragraph 30. CONSIDERATION OF GAIN PROGRAM PARTICIPANTS shall be added to the Lease as follows:

Should Lessor require additional or replacement personnel after the effective date of this Agreement, Lessor shall give consideration for any such employment, openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program who meet Lessor's minimum qualifications for the open position. The County will refer GAIN participants by job category to the Lessor.

10. Paragraph 31. SOLICITATION OF CONSIDERATION shall be added to the Lease as follows:

It is improper for any County Officer, employee or agent to solicit consideration, in any form, from a Lessor with the implication, suggestion or statement that the Lessor's provision of the consideration may secure more favorable treatment for the Lessor in the award of the lease or that the Lessor's failure to provide such consideration may negatively affect the County's consideration of the Lessor's submission. A Lessor shall not offer or give, either; directly or through an intermediary, consideration, in any form, to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the lease.

A Lessor shall immediately report any attempt by a County office, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in the Lessor's submission being eliminated from consideration.

11. Paragraph 32. LIMITATION OF AUTHORITY shall be added to the Lease as follows:

Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Lessor understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal Board action.

No County officer, employee, agent, or independent contractor has any authority to alter, add or delete the material terms of this Lease; and Lessor may not rely upon any representations to the contrary.

This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for tenant improvements or other project costs of Lessor which are subject to reimbursement by County. County shall not reimburse Lessor for any expenses which exceed this ceiling.

12. All other terms and conditions of the Lease and Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Lessor has executed this Lease or caused it to be duly executed, and the County of Los Angeles by order of its Board of Supervisors, has caused this Lease to be executed on its behalf by the Chair of said Board and attested by the Clerk thereof the day, month, and year first above written.

LESSOR: Weingart Center Associates

By _____
Name: John F. King, Pres./CEO

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

COUNTY OF LOS ANGELES

By _____
Deputy

By _____
Chair, Board of Supervisors

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By _____
Deputy: Francis E. Scott

(Amend511-515sixth)
(03/16/03)

EXHIBIT B- COMMUNITY BUSINESS ENTERPRISE FORM

INSTRUCTIONS: All Lessors shall submit this form on an annual basis on or before December 30th of each year of the term of this agreement as evidence of CBE participation. The information requested below is for statistical purposes only. On final analysis and consideration, leases will be selected without regard to gender, race, creed, or color. Categories listed below are based on those described in 49 CFR Section 23.5.

Firm Name	
Address	
Contact Name	
Telephone No.	
Total # of Employees	
Business Structure*	

*Corporation, Partnership, etc.

D. MINORITY/WOMEN PARTICIPATION IN FIRM

	OWNERS PARTNERS	ASSOCIATE PARTNERS	MANAGERS	STAFF	TOTAL
Black/African American					
Hispanic/Latin					
Asian American					
Portuguese American					
A. Indian/Alaskan					
All Others					
TOTAL					
Women*					

*Should be included in counts above and reported separately)

E. PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

	TOTAL # OF OWNERS	% OF OWNERSHIP
Black/African American		
Hispanic/Latin American		
Asian American		
Portuguese American		
American Indian/Alaskan Native		
All Others		
TOTAL		
Women*		

*Should b e included in counts above and reported separately

F. CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

Is your firm currently certified as a minority owned business firm by the:

	yes	no	
State of California?			
City of Los Angeles?			
Federal Government?			

G. WE DO NOT WISH TO PROVIDE THE INFORMATION REQUIRED IN THIS

	Initial	
Initial here if applicable		

SIGNED:

TITLE:

DATE

EXHIBIT C- MEMORANDUM OF LEASE

RECORDING REQUESTED:
THE COUNTY OF LOS ANGELES

WHEN RECORDED MAIL TO:

Chief Administrative Office
Leasing and Space Management
222 South Hill Street, 4th floor
Los Angeles, CA 90012

This document is recorded for the benefit of the County of Los Angeles and recording is exempt from recording fees pursuant to California Government Code section 27383. This transaction is exempt from documentary transfer tax pursuant to California Revenue and Taxation Code section 11922.

MEMORANDUM OF LEASE

This Memorandum of Lease (Memorandum) is made and entered into by and between Weingart Center Associates (the Lessor), and the County of Los Angeles, a public body corporate and politic duly organized and existing under the laws of the State of California (the Lessee) who agree as follows:

Lessee and Lessor's predecessor-in-interest, previously entered into that certain Lease and Agreement dated October 6, 1987, (the "Lease"). Lessee and Lessor have entered into that certain Amendment No. 5, the Lessor has extended the Lessee's lease of real property located at 511-515 East 6th Street, Los Angeles, in the County of Los Angeles, State of California, for a term commencing on June 1, 2003, and ending on April 30, 2008, unless such term is extended pursuant to one (1), five year extension option granted in the Amendment No. 5, or sooner terminated pursuant to the terms and conditions set forth in the Lease. Lessor shall be responsible for providing full services during the term of the Lease, subject to the terms and conditions of the Lease.

This Memorandum has been prepared for the purpose of giving notice of the Lease and of its terms, covenants, and conditions, and for no other purposes. The provisions of this Memorandum shall not in any way change or affect the provisions of the Lease, the terms of which remain in full force and effect.

Lessor:
Wengart Center Associates
John F. King, Pres./CEO

Lessee:
Santos H. Kreimann
Manager Real Estate Operations

By _____ By

John F. King, Pres./CEO

Santos H. Kreimann

